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1850 M Street, N.W., Suite 1100
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April 11, 1997
Federal Communications Commission
Office of Secretary

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Mary Beth Richards
Deputy Chief, Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W., Room 500
Washington, D.C. 20554

Re: CC Docket No. 96-128

Dear Ms. Richards:

Sprint Corporation opposes the request, filed by the RBOC Payphone Coalition and Ameritech, through Michael K. Kellogg's April 10, 1997 letter to you, for waiver of certain state tariffing obligations imposed by the Commission's orders in the referenced docket.

Those orders impose two obligations on LECs with respect to their intrastate tariffs as conditions for eligibility to receive payphone compensation from IXCs: (1) they must have in place tariffs for payphone lines and related service features that are cost-based, consistent with the requirements of Section 276, non-discriminatory, and consistent with Computer III guidelines;¹ and (2) their state tariffs for other services must not reflect any payphone equipment costs or subsidies of payphone service.² The RBOCs seek additional time to comply with the first of these two requirements by expanding the waiver, granted with respect to certain interstate tariff obligations that were clarified in the April 4 Order, to embrace the state tariffing requirements relating to cost-based rates for payphone lines and related service features.

¹ See April 4 Order (DA 97-678) at ¶31, and Order on Reconsideration (FCC 96-439) at ¶163.

² April 4 Order, ¶33; Order on Reconsideration at ¶131.

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The sole practical effect of expanding the April 4 waiver as requested by the RBOCs – assuming all other requirements of the Commission's orders (including the separate obligation, as noted above, to have removed subsidies from other intrastate rates) have been complied with – would be to allow these RBOCs to begin receiving payphone compensation from IXC's prior to fulfillment of their obligation to have cost-based rates in effect in the states for their payphone services. It is one thing to grant a waiver to the LECs (as the Bureau did in the April 4 order) with respect to federal tariffing obligations that are essentially duplicative of state tariffs, particularly since the scope of those federal obligations required clarification of the Commission's earlier orders in this proceeding (see April 4 Order, ¶¶17-18). It is quite another thing to allow the RBOCs to receive compensation before fulfilling an obligation that was clear from the plain language of ¶163 of the Reconsideration Order and that required no further "clarification" in the April 4 Order. Whether or not the RBOCs exercised good faith in ignoring the plain language of ¶163 of the Reconsideration Order – an order entered more than six months ago – is beside the point: the Commission's fundamental premise in its Orders in this docket is that the RBOCs should not be entitled to receive compensation unless or until they have taken all steps necessary to deregulate their payphone operations and otherwise comply with the requirements of Section 276 and the Commission's orders thereunder. Until they do so, they are not entitled to the generous compensation they will be receiving from IXC's and, ultimately, consumers. In requesting this waiver, the RBOCs are like children who, having been told that they will receive their weekly allowance only after completing certain tasks, seek to get their allowance early without finishing all such tasks and promising instead that they will perform their remaining chores at a later date.

Although the obvious purpose of the RBOCs' waiver request is to allow them to start receiving compensation earlier than might otherwise be the case, it is astounding that never once do they acknowledge the impact that this might have on IXC's and consumers. The RBOCs' carrier common line rate reductions will only offset half or less (and in some cases none) of the increased revenues they will be getting from the per-line compensation ordered by the Commission. The net payments the IXC's will make to the RBOCs will be in the range of tens of millions of dollars each month. It is inconceivable that premature imposition of this burden on IXC's and their customers could be squared with the public interest or with the strict standards on which requests for waivers must be judged.³

³ See WAIT Radio v. FCC, 418 F.2d 1153 (D.C. Cir. 1969)

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On the other hand, if the RBOCs (or any other LECs) have not met all of the compensation eligibility requirements by April 15, Sprint would not object to allowing the LECs to defer the effective date of their interstate carrier common line reductions in those states where they have yet to fulfill all of the requirements for compensation imposed by the Commission's orders, until all such requirements have been completed.

Two copies of this letter are being filed with the Secretary, and copies of this letter are being faxed to Michael Kellogg, APCC, AT&T and MCI.

Respectfully submitted,



Richard Juhnke
General Attorney

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